

**MEETING SUMMARY**  
**FOREST MANAGEMENT ADVISORY COMMITTEE MEETING (FMAC)**  
Michigan United Conservation Clubs  
2101 Wood Street  
Lansing, Michigan  
Wednesday, October 11, 2006  
2 p.m.

**FMAC Members Present**

Mr. Joel Blohm, Breath Northern Lumber of Michigan  
Ms. Lynne Boyd, Department of Natural Resources (DNR),  
Forest, Mineral, and Fire Management (FMFM)  
Mr. William "Bill" Cook, Michigan State University Extension  
Mr. Thomas Dunn, American Motorcycle Association  
Ms. Susan Holben, Michigan Economic Development Corporation  
Mr. Desmond Jones, Michigan Tree Farm System  
Mr. Warren Suchovsky, Suchovsky Logging  
Ms. Anne Woiwode, Sierra Club Mackinac Chapter

**FMAC Members Absent**

Mr. Steven Arwood, Arwood Group  
Mr. William Bobier, Earthscape Resource Management  
Mr. Leland Crawford, International Paper  
Ms. Margaret "Peg" Gale, Michigan Technological University  
Mr. Mark Janke, Janke Consulting  
Mr. Dan Keathley, Michigan State University  
Mr. William "Bill" Manson, Michigan Snowmobile Association  
Mr. Frank Ruswick, Department of Environmental Quality  
Mr. Sam Washington, Michigan United Conservation Clubs (MUCC)  
Mr. Gordon Wenk, Michigan Department of Agriculture

**FMAC COMMITTEE ADVISORS PRESENT**

Ms. Leanne Marten, USDA Forest Service

**DNR STAFF PRESENT**

Mr. Chuck Nelson  
Mr. Jim Radabaugh, FMFM  
Ms. Kerry Gray, FMFM  
Ms. Sandy Simpson, FMFM  
Mr. Mike Terrell, Parks and Recreation Division

### **PUBLIC ATTENDEES/GUESTS**

Mr. George Berghorn, Michigan Forest Products Council  
Mr. Paul Mulder, Great Lakes Four Wheel Drive Association  
Ms. Rachel Kuntzsch, Heart of the Lakes Center for Land Conservation Policy

**Lynne Boyd** welcomed the members and guests.

### **AGENDA APPROVAL**

**Lynne** gave an overview of the meeting agenda.

**Anne Woiwode** moved to approve agenda. Supported by **Warren Suchovsky**.  
Committee members unanimously approved agenda.

### **MEETING SUMMARY**

**Lynne** asked for edits to the meeting summary as follows:

1. Page 4, fifth paragraph, first line to read “**Lynne** stated the DNR staff will research long-term funding sources for October meeting.”
2. Page 4, fifth paragraph, last line to read “**Dennis Fox** will follow-up on this request.”

**Lynne** commented she will review meeting summaries prior to distribution to the members.

**Anne Woiwode** moved to approve Wednesday, September 13, 2006 meeting Summary.  
Supported by **Desmond Jones**. Meeting Summary unanimously approved.

### **PUBLIC COMMENT**

None.

### **ALTERNATIVE REVENUE SOURCES**

**Chuck Nelson** stated that his role during his sabbatical leave from Michigan State University includes developing strategies to replace lost general fund monies for the DNR as a whole. He is also a member of the Citizens Committee for Michigan State Parks.

**Chuck** described the need for a broad-based revenue source for all Divisions of the DNR. He noted the need to gather all the DNR advisory boards for a “Summit” to discuss long-term funding solutions and provide recommendations to the NRC Finance and Administration Committee and others. The Summit may be scheduled for discussion at a future NRC Administration and Finance Committee meeting. **Chuck** briefly explained the critical revenue shortage of the Game and Fish Protection Fund and the work being done by the Hunting and Fishing License Program Development Workgroup.

**Chuck** discussed state game and wildlife area use and that most game area users are already paying multiple license fees to game and fish protection fund and DNR for other purposes. Discussion continued regarding the difficulty the State forest system would have implementing a motor vehicle pass for all State forest lands. Furthermore, such a pass, even for designated sites, may not provide significant net revenue and would provide considerable administrative challenge unless enforcement were carried out by the people who visit the designated sites regularly for maintenance. This was confirmed by the Forest Service representative on the Committee (Leanne Marten) based on the experience of the Forest Service with fees at developed day use-sites on the Huron-Manistee National Forests.

**Chuck** discussed the crucial need for long-term funding sources for the DNR, beyond traditional fee base, and the additional challenge the elimination of Single Business Tax poses. Based on his research, **Chuck** noted that an increase of 1/10 of 1% in the sales tax across all goods and services currently taxed best meets the funding criteria and explained the decisive factors as follows:

- Generate significant amount of money
- Rise with inflation
- Relatively steady source of funding
- Provided by the broadest spectrum of public (including non-residents)
- Long lived source
- Inexpensive to administer
- Have demonstrable benefits to the broadest range of citizens and visitors

**Chuck** further described sources used, or being considered, by other states to provide significant operational monies for some or all portions of natural resource agencies:

- Mineral royalties/leases with energy mineral most prevalent
- State lotteries
- Tobacco Settlement Funds
- Income tax check-offs
- Unrefunded bottle deposits for juices and waters with no current deposit
- Real estate transfer tax
- General sales tax
- Cigarette tax
- Vehicle license plate
- Fees on targeted groups of outdoor recreationist's currently not paying license/permit fees
- Excise tax/sales tax on targeted items such as certain sporting goods
- Surcharge on licenses

The DNR FMFM Division does not have sufficient funding sources for Stewardship efforts. The fire protection program is dependent on timber sale revenues; even though most of the protection responsibilities are on private lands that do not produce revenue for DNR to provide wild land fire protection. There are additional responsibilities to cooperate with the Federal government on fire protection on national forests, wildlife refuges, etc. It is also vital to have funds to make Payments in Lieu of Taxes (PILT) to local units of government. The payments are made by the DNR. The DNR is the only State agency that pays PILT on the public lands it administers. Corrections, Transportation, and colleges and universities do not pay PILT. The DNR cannot pay PILT if funding is not appropriated.

**Chuck** recommended working on a sales tax proposal with appropriate partners who provide complementary programs (e.g., environmental quality, historic/resource based sites like Mackinac Island State Park Commission, etc.).

**Chuck** noted the steady decline in general funds and that all past ballot initiatives concerning natural resources or the environment have been successful for the DNR. **Chuck** clarified that the statewide mill tax is a property tax, which is currently used in Wisconsin to fund a variety of conservation efforts. However, such a tax does not gain revenue from the broadest range of beneficiaries to conservation and environmental quality. Chuck will provide more details when available.

Discussion continued regarding adding complimentary partners. Travel Michigan was one suggestion, environmental programs, etc.

Members were encouraged to review the materials and provide input to **Chuck** regarding viable long-term funding sources to promote stewardship. **Lynne** mentioned this base information will be helpful for participation in the upcoming Summit.

Discussion ensued and questions were raised if the 0.1% amount will it be adequate for a long-term funding source. The sales tax is unique as it automatically generates more money as inflation occurs, provided similar amounts of goods and services are purchased. Some members were concerned about volatility in sales tax revenues and suggested seeking 0.2% percent increase in the sales tax to insure there was enough money in the lean times. They strongly supported characterizing this approach as a conservation tax.

**Warren** mentioned concern about the sales tax being tied to the general economy and services may fluctuate. Need to maintain a steady base. He suggested examining the potential of oil and gas leases and royalties, but such revenues are constitutionally protected in the Michigan Natural Resource Trust Fund.

**Chuck** stated that the sales tax is a partnership between the direct users and the DNR. Natural resource conservation is good for Michigan's economy, quality of life, environmental health and human health.

Discussion continued with some members suggesting utilizing an endowment fund approach instead of a tax increase. **Chuck** explained that approach characterized the “Penny for the Parks” campaign in 1994, but that a sales tax increase of 1.0% suggested for one year to build a state park endowment fund was derailed by Proposal A. Instead, Proposal P did create the Gillette State Park Endowment fund, but it has never been fully capitalized (at best about 9% capitalized).

**Chuck** was unaware of any polling done on this subject; however, a proposal was recently renewed by Missouri voters by a wide margin, where such a sales tax has been in place since 1976. Arkansas has had voter approved dedicated portion of the sales tax since 1996.

When asked about state park camping fees, **Chuck** stated that they are under the control of the NRC, not the legislature. However, entrance (motor vehicle permit) fees are under control of the legislature.

**Chuck** concluded by discussing the many natural resource conservation and stewardship services provided by DNR, which the public is unaware. The 8,000 mile State forest road system of which the DNR receives no gasoline sales tax money other than from the snowmobile program to operate snowmobile trails on some of those roads; fire protection on over 20 million wild land acres and cooperation on another 3 plus million acres of federal lands; and boundary management on the state’s 4.5 million acres administered by the DNR.

**Lynne** indicated no action was needed on this agenda item and asked members to participate in the Summit when the dates are announced.

### **CAMPGROUND EXPENDITURES**

**Jim Radabaugh** provided the state forest campground current fee structure and proposed fee structure. The proposal will be forwarded as notification to the legislature in November [time frame changed to December 7, 2006 following the FMAC meeting] for a six-month comment period. If approved by the DNR Director, it would be effective for the 2007 camping season.

**Jim** explained the details of the 2006 FMFM Forest Recreation Expenditures for maintenance of the 145 State forest campgrounds. Questions were raised relative to the percentage of fire officer’s time within the calculations. Members were informed that the FMFM compensates time for each activity as recorded. Currently, FMFM has 84 fire officers.

Revenue from campgrounds fees is 100 percent user-pay and dependent solely upon collection of fee during the fiscal year. Last campground fee increase occurred in 2001 (\$6 to \$10). The 2001 campground fee increase allowed funding to carry-over and was used to offset the decline in revenues and inflation increases. The fund balance has been depleted over the years, including the 2006 season. Staff explained the cost to manage a campsite per year is \$507.

**Chuck** commented that the State forest system is different than the State park system relative to size of campground and locations. Discussed issues of locations where campgrounds were closed due to public health or resources protection issues and the enforcement issues of ensuring a campground remains closed. The FMFM staff discussed the cost for trash removal. The Division does not have the equipment for picking up trash so it is done by contract.

Members discussed concerns with the decline for personal income for citizens and the willingness to pay a higher fee. Studies have shown that 17 percent do not comply. The group also discussed enforcement strategies to encourage visitor to take on that responsibility.

Members discussed the contract at the Porcupine Mountains Wilderness State Park and partnerships. **Lynne** commented that the FMFM has partnerships with some local units of government, but some return management back to DNR because they cannot afford to manage them. Discussion continued regarding goods for services.

**Lynne** reported no action is required and discussed the stopgap funding motion regarding increase in camping fees. This will be a DNR Director decision for the fee increase.

### **FORESTRY LEGISLATION PACKAGE**

**Lynne Boyd** briefly discussed the excellent progress made in the passage of the Forest Legislation, Senate Bills 912, 913, 914, and 917 and House Bills 5454 and 5455.

### **STATEWIDE FOREST PLAN REVIEW PROCESS**

Due to the number of comments received (1,000+) on the draft State Forest Management Plan (SFMP), FMFM has requested an extension from the Forest Stewardship Council for completion. The original timeline had the Plan on the NRC agenda in December and adoption by the DNR Director in January 2007. The new timeline will have the NRC review in January 2007, and a decision for adoption in February 2007.

Following an internal DNR review, an updated draft of the SFMP will be available for a second public comment period in December 2006. **Lynne** stated her appreciation for the FMFM staff's dedication in this effort and its aggressive schedule. The document will continue to receive revisions. **Warren** also noted his appreciation for the work done by FMFM staff.

Discussion continued regarding the schedules of the eco-regional plans. The draft Eastern Upper Peninsula Eco-Regional plan is still being reviewed internally and is scheduled for completion in July 2007.

**MICHIGAN RESTORATION OF OUR TREES (ROOT) PROGRAM**

**Kerry Gray** gave an overview of the ROOT pilot program to assist homeowners who lost trees to the Emerald Ash Borer (EAB) infestation. A press conference was held on October 2, 2006. Tree orders will be taken on February 1, 2007, with delivery in April 2007. The cost is \$21/per tree and are 6 to 8 foot tall. **Kerry** discussed the nursery bid and had hoped to receive more bidders on the tress, but only one nursery met the requirements for the trees. If this pilot program can be expanded, the DNR anticipates more nurseries to bid on future projects. The Department of Agriculture will handle the certification for inspection before they get shipped. Members were asked to submit any questions or comments to Kerry.

**Sandy** will audit members for agenda items 2 weeks before the next meeting and send top issues chart back to review and/or add more items.

**Lynne** reminded the members that the Generally Accepted Forest Management Practices (GAFMPs) was on the NRC agenda October 5 meeting as information only and for discussion at the NRC Policy Committee on Land Management. The FMFM Division anticipates approval of GAFMPs at the NRC November 9 meeting.

**Lynne** will provide the members with information on the assistant chief's position as soon as appropriate.

Members recommended the process for compartment review as an agenda item for the next meeting.

**NEXT MEETING**

Wednesday, December 13, 2006

MUCC

1 p.m. – 4 p.m.

**MOTION:**    **Warren Suchovsky** moved to adjourn, supported by **Anne Woiwode**.  
Motion carried

Meeting adjourned at 3:35 p.m.